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Business Model for Continuous Enterprise Sustainability

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ABSTRACT

Due to higher requirements for achieving sustainable development goals, current challenging socio-political climate and internationalization, business models remain problematic, resulting in a more complex global competition among firms and the need for sustainability incorporation. Throughout this study, a conceptual model based on the systematic literature review was applied as the methodology, with the study's purpose to propose the new Model of Continuous Enterprise Sustainability, which is designed to facilitate and enhance enterprise management in today's demanding and complex business environment by providing concise steps for effectively incorporating sustainability into day-to-day business activities. Five essential components, through their interconnectedness, form the Model of Continuous Enterprise Sustainability, which smooth the path of sustainable management in a dynamic environment, which are as follows: (1) situational factors, (2) creating factors/processes, (3) triple-sustainable results, (4) organizational results, and (5) continuous stakeholder communication, optimization, innovation and learning. This conceptual model contributes in the first line to advancement and detail explanation of how to achieve sustainable human, financial and natural resources management within enterprises. In addition to directions for sustainable internal resources management, this model also involves clarification how to strategically manage with external resources and prime stakeholders in order to integrate meaningful sustainability matters in firm's business core and create continuously greater value for firm and its prime interested parties.

Keywords: *Sustainability Model, Business Model, Sustainable Financial Management, Sustainable Human Resources Management, Natural Resources Management*

Introduction

As competition and sustainability worries grow, industry sceneries are rapidly changing and organizations are forced to differentiate themselves in order to achieve competitive advantage,

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business models have become a frequent topic of practice and research (Massa et al., 2017). Firms build business models either explicitly or implicitly to clarify its' believes about what their customers need, how the firm can provide it and organize itself to meet those needs while simultaneously generating a profit (Teece, 2010). Therefore, a thriving business model, in comparison to already available alternatives, represents a superior solution for competing on the market, communicating to prime stakeholders (investors, customers, workers, suppliers), using and obtaining new resources, structuring strategic networks/relationships, and building/delivering value by operating profitably. Schaltegger et al. (2016) emphasized that firms shall focus on creating and capturing value on all three fronts - social, environmental and economic.

Even though a number of business models geared towards sustainability have been suggested from a theoretical standpoint, the literature analysis shows that a more efficient combination of stakeholder and resource-based view is needed. Considering the gap in the literature, the aim of this conceptual paper is to propose "Model of Continuous Enterprise Sustainability", based on the systematic literature review that explains how sustainable value is generated through interconnectedness of resources-based strategic orientation (analysis, sustainable management and monitoring/reporting) and continuous focus on stakeholders, innovation, optimization and learning. In terms of structure, this paper first displays literature review related to sustainability business models based on integrated value creation at their core, and afterwards the focus is on explaining the main elements of proposed model, supported by the previous research findings.

Definition and elements of sustainable business models

Since literature covers a variety of perspectives on sustainability business models, there are various ways to define them. Generally, sustainable business models are identified as the driving force behind firm innovation, main support in integrating sustainability at core of its processes, and as the competitive advantage's leading driver (Bocken et al., 2014). Sustainability business models can be used in describing, analyzing, managing, and communicating their value propositions, as well as how value is created, delivered and captured (Schaltegger et al., 2016), because it provides an overview of the company's strategies, activities, resources, processes and stakeholders. Moreover, Morioka et al. (2017, p. 724) defined sustainability business models as: "A representation of business elements, their interrelations and the systemic context that enable sustainable value exchange with stakeholders towards enterprise sustainability performance, translating and providing feedback between firm strategy and operations". Regarding sustainable value achievement, a business model's value proposition extends beyond economic (financial performances), instead it must take into account two other responsibilities (social and environmental), which put economic models into operation and bolster financial top pursuits (Kozlowski et al., 2018). More briefly, business sustainability model implies the achievement of sustainability of the three types of resources - financial, social and natural resources.

To reach sustainability targets, sustainable business models need to take into consideration triple primary resources (human, financial and natural), long-term planning and prosperity, efficient strategic management and stakeholder engagement. In relation to strategic aspect, Gabler et al. (2017) underlined that it is necessary for sustainable business model to include strategic elements

such as a creating a united vision, on-board leadership that is clearly visible, strategy implementation and efficient communication – with focus on delivering the key message. Stubbs and Cocklin (2008) pointed out that an ideal sustainability business model have extra features and components, like developed cultural capabilities and internal structure. Regarding connection to a broader system, Hellström et al. (2015) argues that in order to take advantage of innovation opportunities, a sustainability model must involve multiple partners cooperation. Improvement of manufacturing process sustainability, as another pertinent aspect of sustainable business models, arose from issues related to waste management and rising energy/material costs and shortage (Despeisse et al., 2012), as well as increasing legislation/key stakeholders pressures and concerns of consumers over industrial facilities' negative environmental/social impacts. By supplying solutions to help companies to achieve their sustainability and economic goals concurrently, sustainable business models have proven effective in reducing environmental and social harm caused by business operations (Charles et al., 2017).

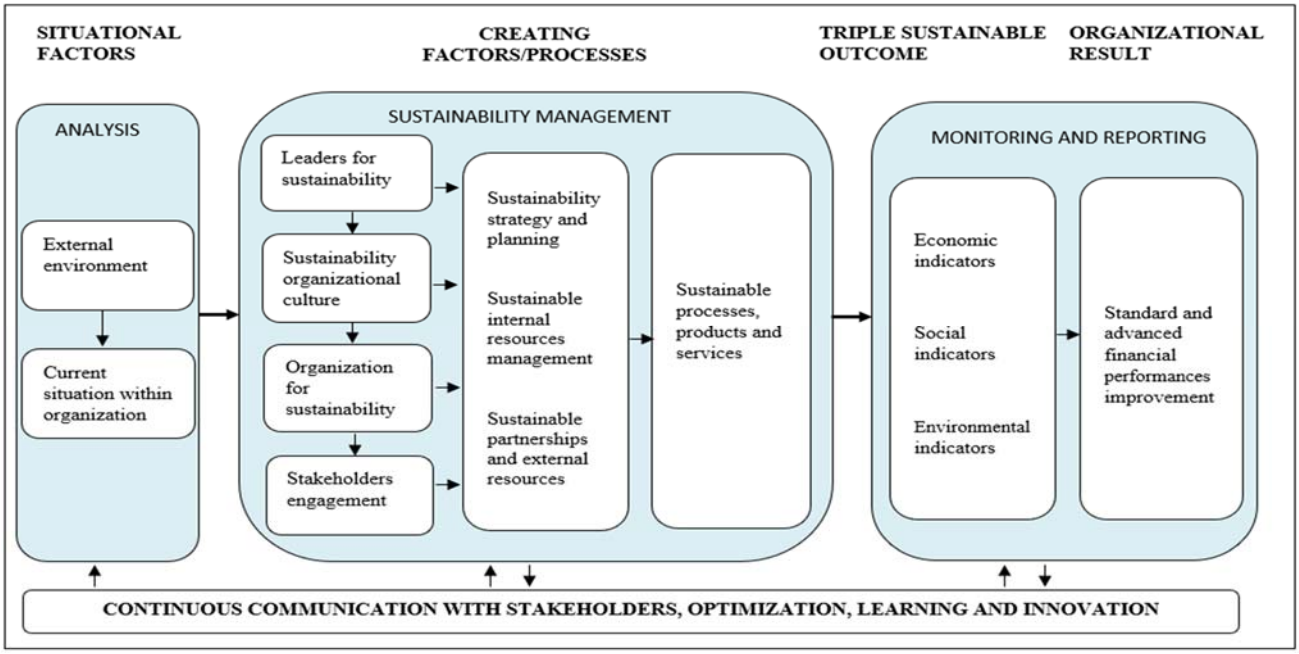
Model of continuous enterprise sustainability

Proposed Model of Continuous Enterprise Sustainability (MCES) can greatly facilitate organizations to effectively manage and implement sustainability in their business operations and achieve long-term sustainable success. MCES represents a greatly advanced and thus new version of already available sustainability models (such as the one proposed by Epstein (2008)) and consists of five important parts (figure 1.):

1. Situational factors: Analysis of situational factors need to be centered to two wide situational elements: (1) external environment (economic, social, environmental, regulatory (political and legal) and technological environment); and (2) current situation within the organization (the way the company operates with stakeholders, the nature of the company's business, the way of defining sustainability in the industry/activity to which the company belongs, the existing organizational culture, structures, processes).
2. Creating factors/processes: Creating factors/processes include the following three groups of factors: (1) sustainability drivers (sustainability leaders, sustainability organizational culture, organization for sustainability, stakeholder engagement); (2) sustainable resources, tools and processes (including sustainability strategy and planning, sustainable internal resources management, sustainable partnerships and external resources) and (3) sustainable production process, sustainable products and services.
3. Triple sustainable outcome: The triple sustainable outcome for the enterprise and society includes social, environmental and economic indicators viewed as a firm's triple outcome.
4. Organizational result: refers to standard and advanced financial performances.
5. Continuous communication with stakeholders, optimization, learning and innovation: which follows all four previous steps and returns to the beginning of the model, with the aim of further continuous progress in business.

Figure 1.

Proposed Model of Continuous Enterprise Sustainability



Source: Author's work

The following section explains in more detail all the elements of the Continuous Enterprise Sustainability Model.

Situational factors

Internal and external situational factors which can affect sustainable business model need to be profoundly understood and analyzed as a prerequisite for efficient sustainability model (Bommel et al., 2020). Typical analysis of external environment encompasses – political, economic, technological, social and ecological environment analysis. Additionally, the company's industry (industry trends, current/potential supply chain aspects) and the competition analysis from the local and international environment are important elements of the external environment. An important role in enhancing competitiveness in today's global industry plays Industry 4.0, which affects a complete supply chain with respect to smart logistics, manufacturing, distribution, dynamic networks and product design. In addition to contributing to energy and resource efficiency, Industry 4.0 aims to integrate value networks vertically and horizontally, shorten time-to-market and innovation cycles, to enable smart manufacturing as well as to incorporate engineering throughout the whole value chain digitally (Kagermann et al., 2013). Besides industrial analysis, companies also need to explore rivals' strengths, weaknesses and orientation towards sustainability to strengthen its *competitive advantage*.

With regard to *the current situation within the organization*, enterprises should examine linkage of sustainability matters with the company nature, existing organizational culture, structures, processes, strategies and products/services. Enterprises also need to assess how their strategies, programs at the firm, business unit or group level affect issues such as human rights, employee

rights, gender equality in employment, the impact of the company's business on the wider community and the environment.

Creating factors/processes

Epstein (2008) has suggested that processes ("sustainability strategy, structure, systems, programs and actions") need to be developed by leadership in order to enhance overall business sustainability. Authors Ciasullo et al. (2019) highlighted also high relevance of three additional dimensions ("culture, resources and partnerships") for sustainable value construction. For the intents of this paper, creating factors/processes' vital factors are drastically upgraded and classified into three specific groups of factors: (1) sustainability drivers (sustainability leaders, sustainability organizational culture, organization for sustainability, stakeholder engagement); (2) sustainable resources, tools and processes (including sustainability strategy and planning, sustainable internal resources management, sustainable partnership and external resources); and (3) sustainable processes, products and services.

Sustainability drivers

Sustainable business models go hand in hand with *sustainable leadership*, because leading from the top is a crucial factor in developing genuine and recognizable sustainable strategy (Del Baldo, 2016). A proactive and adaptable leader with his/her personal values, skills, competencies, experience and know-how in the manifold fields (eco-sustainability, economics background, ethics, social responsibility and international relations expertise) ensures that sustainability is effectively implemented in the organization. The "socially minded leadership" is needed to balance shareholder expectations with long-lasting natural, social and human resources development, while balancing private interests and social interests (Arru & Ruggeri, 2016). The leader is in charge of constructive communicating the firm's mission, vision, shared values, and sustainability policy to organizational members and creating the *sustainability organizational culture* that encourages sustainability engagement and spurs managers', employees' and key stakeholders' eco/social way of thinking and behaving, along with typical focus on economic efficiency. In fact, culture for sustainability clarifies to employees what sustainability is in its core for the firm and through the demonstrated way of perceiving, behaving, performing work under complex circumstances and decision making makes it inseparable part of their daily work practice. More specifically, sustainability culture of an organization determines the nature of social dynamics within it (for instance, workers greater commitment and identification to the organization's sustainability values – what affects also their life habits). Strong sustainability culture in organizations enhances peoples' lives and promotes positive work environment, enabling in the long-run successful operating (Bertels, 2010).

Additionally, one of the leader's major tasks is to determine an effective *organizational structure for sustainability*, either as one team or multiple teams, who are responsible for communicating and integrating sustainability throughout the organization and improve it by collecting and compiling feedback. Following mentioned tasks, their responsibility encompasses ensuring that appropriate sustainability programs and actions are undertaken as well as successfully implemented (striving

towards structure and enterprise's strategy alignment). Furthermore, a well-defined team members' roles and responsibilities represent a crucial aspect to achieving greater efficiency/effectiveness.

Regarding the stage ”*engagement with key stakeholders“* as another company's business activity, the firm determines possible common business sustainability goal/goals of the company and its main stakeholders, which will become an integral part of the firm sustainability strategy in the next step. The core guiding idea behind set common goals is contributing to value boosting of all included sides. Through sincere cooperation and communication with key stakeholders, strong foundations for sustainable constructive changes and long-lasting credibility are built.

Sustainable resources, tools and processes

By strategically including sustainability in business models, firms can gain competitive advantage and drive innovation (Yip & Bocken, 2018). Sustainability is mostly incorporated into ”top-down“ strategies, and those strategies with a top management commitment are most effective ones (Wisner et al., 2006). Company sustainability strategies address not only issues related to the financial performance improvement, but also environmental and social concerns. The process of evaluating and managing the company’s economic, social, and environmental impacts is therefore a systematic path, which produces numerous sustainability benefits for firms. Some of these benefits are: increased reputation, attracting more competent and quality employees, proactive crisis management, better risk management (avoiding threats and taking advantage of opportunities), reducing business costs, better relations with the local community, reducing lawsuits against the company and preventing possible potential revenue downturns with regard to sustainability.

According to Ciasullo et al. (2019), for a sustainability strategy to be successfully implemented throughout organization, three important dimensions must be present: (1) broaden sustainability orientation (viewed via formulation of a coherent values (ethical values, social inclusion, striving for economic rebounding and social challenges) set to be transmitted to various interested parties); (2) proactive leadership – who reinforces internal engagement and shared vision; and (3) strategic planning, that serves as aligning mechanism of firms' strategies and fortified goals (converting vision into daily operations). Developing strategic plans by continuous views exchanging about ideas, new chances, feedback and demands enhances collective thinking, and contributes to spreading sustainable culture, ensuring that the company's vision is rooted within the community (Ciasullo et al., 2019). Strategic planning may include information preparation process, scenario planning, back-casting planning, SWOT analysis, business minimization/optimization, risk management and communication strategy. Diverse standards can assist as guidelines for sustainability strategies development related to the industry in which the enterprise operates.

In order for sustainability strategies to be implemented and incorporated through the organization, it is necessary to make the company's internal resources management more sustainable (by involving all three types of resources - human, financial and natural resources), through new design, development and alignment in the organization. Pivotal components of sustainable human, financial and natural resources management are presented on the table 1. What is momentous to highlight is that all internal resources must be adequately planned, organized,

monitored and supported by information technologies management process for sustainability that will enable an effective evaluation of financial, social and environmental performances.

Sustainable human resource management (HRM) strives „to create in the long-term socially and economically efficient ways of recruiting, developing, retaining, and disengaging employees“ (Zaugg et al., 2001). In order to achieve sustainable recruitment, firms set long-term orientation – or more specifically, they identify human resources accessibility in the upcoming period, along with their needs, and move towards eliminating the "hire and fire" method (Stankevičiūtė & Savanevičienė, 2018). Additionally, sustainable recruitment shall embody sustainability elements in: recruitment policy in accordance with applicable regulations (Stofkova & Sukalova, 2020); internal directional principles and an employee's job description and contract (Jepsen & Grob, 2015). Authors further highlighted that in order to upgrade reliability, verified and well-acknowledged appraisal tools (such as: personality/ability examining, procedures for interview performing) need to be utilized, retesting reduced and advanced decision-making in selection phase (Jepsen & Grob, 2015). Furthermore, companies' sustainability-focused recruitment processes include providing equal hiring opportunities and enhancing employees' health, safety and diversity (Järlström et al., 2016). Firms also should take into account attraction motivational factors within recruitment phase – which trigger talents to accept to work for one firm (like: "good salary and company goodwill“) (Ahmić & Čizmić, 2021). It is imperative for firms to also implement efficient and well-formed onboarding practices in order to improve in later stages outstanding workers retention (Čizmić & Ahmić, 2021).

Sustainability goals need to be linked as well with employees/managers development in terms of efficient training/development plan and approaches; such as training courses or workshops, experience transfer, job rotations, development of future-oriented skills (Stankevičiūtė & Savanevičienė (2018). Similarly, developing eco-friendly behavior, abilities and skills represents likewise an important aspect for improving organizational environmental (sustainability) performance (Lo et al., 2012). Author Wahyuningtyas (2015) suggested that in developing talented individuals (what can be also applied for building sustainable workforce in general), following meaningful steps shall be included: „performance appraisal; talent mapping; development and learning need analysis; implementation of development and learning; and talent review“. Moreover, Gollan and Xu (2014) pointed out that constant education, conduction of teamwork development methods, organizational training and professional development (capabilities/skills-upgrading through education) can be essential for carrying out measures aimed at protecting the environment. In addition to previously mentioned, education and training programs must be tailor-made for every company-talented individual needs, because learning as a continuous operation broaden useful knowledge and provide valuable skills (Ahmić & Trgo, 2021).

According to authors Stankevičiūtė & Savanevičienė (2018), other major sustainable HRM elements are: social dialogue between employer, managers and employees; workers participation (their contribution to organizational goals' fulfilment); and employee cooperation (involving „teamwork and good manager-workers relations“). Concerning employee retention, greatly significant HRM aspect belongs to employee engagement – viewed through "improved employee satisfaction, employee identification, employee commitment, employee loyalty, and employee

performance" (Kumar & Pansari, 2015). In addition to giving attention to employee engagement improvement, managers need to simultaneously apply triggering work motivational factors (such as: „comfortable work environment; enough autonomy and creativity in working and deciding; and work-life balance"), as they proved to be enormously important for retaining talented individuals (Ahmić & Čizmić, 2021).

Regular tasks in financial management regarding obtaining funds (financing) for business activities (which includes: funds availability analysis, timing/volume/features of needed funds); funds usage (investing) for business operations and maintaining liquidity (Kovačević & Vunjak, 2009), can be also in similar way applied in relation to sustainability. As the first task appears obtaining funds (financing) necessary for the sustainable course of business (such as: eco-innovation/design, environmental or company social responsibility improvements). In accordance with that task, firms need to analyze funds availability (current and potential funding sources), timing - when we need to obtain funds, demanded volume and its qualitative features (interest rates, repayment period, payment security instruments) (Kovačević & Vunjak, 2009). The most desirable way of financing is by providing funds from firm's own sources (self-financing). Other ways of obtaining funds include: providing additional funds (company lending, joint ventures of domestic/foreign companies), specific forms of business financing (grants and leasing) or financing in financial markets. Concerning specific forms of financial resource investments in eco research and development, authors Aranda-Usón et al. (2019) highlighted the significance of public funds ("public grants"— subsidies, tax deductions, incentives, bonuses") and foreign funds (foreign capital participation).

As the second task of sustainable financial resources management appears the sustainable funds usage (investments). Companies on its path to sustainability strive to use generated profit and the obtained funds as rationally and efficiently as possible and invest it in the course of financially, socially and eco viable activities/processes (justified by the approved feasibility studies and investment projects evaluations). When it comes to the sustainable financial investments, just like in standard financial management - top managers and financial function should have information on: the form of use of invested funds (for example, whether it is a sustainable long-term investment in fixed assets, investment in permanent working capital) and time of funds usage (Kovačević & Vunjak, 2009). Furthermore, determining the sustainable investment approach or their combination and expected return on investment period play a crucial role, whether it is about sustainability integrated investment, values/thematic/impact-driven investments, or elimination screening (eliminating sectors/firms/materials/products due to sustainability concerns) (Morgan, 2019). What follows is the need for sustainable investments portfolio management, that embraces sustainability matters incorporation from security choice, portfolio composition to managing risks/investment returns (J. P. Morgan, 2019).

Table 1.
Components of sustainable internal resources management

Sustainable internal resources management		Components
Planning, organizing, monitoring, IT support	Sustainable human resources management	**1. Sustainable recruitment:** - Long-term orientation by identifying human resources accessibility in the upcoming period, along with their needs; - Sustainable recruitment policy in accordance with applicable regulations; - Sustainable internal directional principles; - Alignment of job descriptions and workers contracts with sustainability goals; - Providing equal hiring opportunities and enhancing employees' health, safety and diversity; - Advanced sustainable selection decision making, utilization of well-acknowledged/verified appraisal tools and retesting reduction; - Attraction motivational factors application („good salary, company goodwill, good firm's offer, company brand, occupational safety“); - Efficient and well-formed onboarding practices implementation. **2. Sustainable employee development** - Constant education/trainings orientation; - Assessment of employees' performance and talent mapping; - Future-oriented and sustainable workers' development/learning need analysis; - Implementation of sustainable individual/teamwork development and learning methods; and development program feedback; - Tailor-made managers' and other talented employees' sustainable training/development plan and approaches (such as training courses/workshops, experience transfer, job rotations). **3. Sustainable employee retention** - Improved employee engagement („employee satisfaction, identification, commitment, loyalty and performance evaluation“); - Effective and constructive managers-employees communication and social dialog; - Employee collaboration („good manager-workers relations and teamwork“); - Adequate work motivational factors („comfortable work environment; enough autonomy and creativity in working and deciding; work-life balance; flexibility in work; promotion opportunities“).
	Sustainable financial resources management	**1. Budgeting and obtaining funds (financing) for business sustainability** - funds availability analysis (current and potential funding sources: self-financing; providing additional funds (lending, joint ventures); specific forms of business financing (grants, leasing); or financing in financial markets); - timing - when we need to obtain funds; - demanded funds volume and its qualitative features (interest rates, repayment period, payment security instruments). **2. Funds usage (investing) for business sustainability** - Keeping records on: funds form usage and time of funds usage; - Determining the sustainable investment approach (sustainability integrated investments, values/thematic/impact-driven investments, or elimination screening) and expected ROI period; - Utilizing the feasibility studies and investment projects evaluations for future firm's sustainability investments;

	- Managing sustainable investments portfolio (incorporating sustainability matters from security choice, portfolio composition to managing risks/investment returns). **3. Maintaining profitability, liquidity and striving for solvency (financial stability)** - To have a suitable funding policy/ongoing liability policy for every type of asset management; - Present/potential profit sources - that the company can allocate for sustainable business; - Implying management measures of boosting working capital along with essential fixed assets („managing finished goods stocks and working capital assets, managing receivables, investments with a short-term horizon and cash assets“).
Sustainable natural resources management	**1. Implementation of recognized eco standard (ISO 14001)** **2. Sustainable natural resources access and supply** - constant search/introduction of possible substitutes, new resource supply locations and alternative (renewable) energy sources. **3. Sustainable utilization of natural resources:** - Natural resources preservation (reduction of resources utilization; reusing natural resources).

Source: Author's work

The third main task of sustainable financial resources management refers to not only maintaining liquidity (viewed as alignment of the cash inflows dynamics with the obligations payment due dates according to their sources), but also to striving for solvency (financial stability) – which is related to sustainable business. Achieving profitability in the long-run is also highly important aspect of sustainable financial management (for instance, by focusing on innovation, supply chain sustainability lead towards attainment of increased profitability) (Al Breiki & Nobanee, 2019). Being faced with numerous problems in terms of realizing financial stability and desirable liquidity, companies should have a suitable funding policy/ongoing liability policy for every type of asset management (moderate or aggressive one). Conditions for firm's financial stability can be achieved by management measures of boosting working capital along with essential fixed assets, that involve in addition to managing finished goods stocks and working capital assets, also managing receivables, investments with a short-term horizon and cash assets (Schneider et al., 2017). In a general sense, to enhance the enterprise's financial situation, the following reserves are needed: upgrading management policy of working capital, working capital structure streamlining, solvency level improvements, payables management and raising the equity amount gradually (Mitman, 2016).

In an effort to seriously manage environmental issues, as initial point of sustainable natural resources management, companies need to implement recognized standard (such as ISO 14001) or management system (Blackburn, 2008). Regarding access and supply of natural resources as another important eco-management element (Ernst & Young, 2013), firms shall think in a way to have "undisturbed access to crucial natural resources and its supply" (what also includes constant search/introduction of possible substitutes, new resource supply locations and alternative energy sources). Sustainable utilization of natural resources (Blackburn, 2008) occupies the main place in sustainable natural resource management, by focusing on a natural resources preservation (its

reduction or reusing in firm's processes). Reduced utilization of natural resources can include reduction of: materials, energy, water consumption; waste; environmental costs; greenhouse gas emissions (firm's negative impacts); and the use of harmful and dangerous materials in work, production and sales. Additionally, resources preservation can be oriented towards resource and materials reusing (for example: metallic minerals, plastic, water).

In addition to the sustainable internal resources management, organizations need to pay equal attention to the sustainable management of partnerships regarding external social, natural and economic resources. In partnership management, the focus should be on: sustainable supply chain management (logistics, suppliers and distributors); and sustainable relationships with business partners from various alliances. The goal of sustainable partnership management is achieving greater sustainability in economic, natural and social resources through the simultaneous sustainability contribution to the economic prosperity of wider society, all included partners and not just company.

In the case of a sustainable supply chain, the focus may be on achieving sustainability of:

- Natural resources: favoring green suppliers, joint minimization of CO2 and harmful raw materials, restrictions on the exploitation of natural resources or optimization of raw materials (for example: participation in afforestation; recycling and water treatment; mutual contribution to cleaner air; investment in alternative energy sources; - windmills and solar panels; fish farming and not just fishing, mutual investment in research of novel, less harmful and sustainable materials).
- Economic resources (which have an effect on both the company and other participants in the supply chain): lower procurement costs through just-in-time procurement and delivery, reducing the use or disposal of packaging, securing new jobs in the local community.
- Social resources: requirements for supplier certification, suppliers auditing for work practices and public transparent reporting on social responsibility.

Sustainable production process, sustainable products and services

Efficient and sustainable strategic management (through sustainability strategy, planning and organizing), sustainable internal resources management and sustainable management of partnerships and external resources create the preconditions for achieving sustainable products and services and the production process itself. Production process efficiency can be achieved through quality management systems (such as ISO 9001) and various approaches for process improvements such as Six Sigma or Kaizen principle (seen as continuous enhancement). Lean Manufacturing practice and metrics have had a significant impact on sustainable manufacturing as a result of its widespread adoption in the last few decades. Core attribute of lean manufacturing encompasses orientation on “overall reduction” practice - any particular product is designed and manufactured by using less space, workers, materials, time and equipment/machines investment. A sustainable production process should take into account both the impact on employees and the wider community.

The research and development function and the project management process play a highly important role in the production process. Regarding product sustainability, it is critically important to consider product sustainability and eco-innovation not only during its design, manufacturing and

utilization stage, but also throughout the management of "end-of-life" (when consumers stop using product), which leads to a concept of sustainable product life cycle (PLC). Through the application of PLC, the concept of multiple life-cycles is introduced, which comes after the product usage phase. In order to ensure the closed-loop flow of multiple life cycles, the application of 6R construct (Reduce, Reuse, Recycle, Recover, Redesign and Re-manufacture) proved as essential (Jawahir & Bradley, 2016). By spurring remanufacturing or reusage, systems of closed-loop production aim to reduce material/parts flows, energy and water usage by improving its efficiency throughout the subsequent product life cycle (Stock & Seliger, 2016). Companies may consider the following issues concerning sustainable products: "Is the product safe and healthy for consumers?"; "Is the product economically viable for the company?", and "What is the impact of the product on the environment and can it be called eco-friendly?".

In order to constantly improve products and services, it is necessary to continuously examine customer satisfaction and encourage employees and other stakeholders with whom the company works on joint research and development projects to freely present their proposals and ways to achieve them. Therefore, sustainability elements need to be incorporated into the accompanying functions of marketing and sales, as well as service delivery in order to create an integrated business sustainability system.

Triple sustainable outcome

Throughout every business, measuring performance has been viewed as a crucial component of managerial control (Olson & Slater, 2002). Monitoring and reporting of organizational performances, from sustainability perspective, involves three groups of indicators (known as – economic, social and environmental indicators – using approach of triple bottom line) (Hourneaux Jr. et al. 2018).

When it comes to economic, social and environmental indicators, firms can utilize proven tools (such as a balanced concept of measuring performance - BSC matrix, which comprises interconnected financial and non-financial indicators) in order to turn the strategy into measurable goals and key indicators. In addition to employees' development/knowledge performances and business processes, BSC shall involve also external stakeholders performances (reporting on objectives, KPIs and initiatives within all four parts), leading collectively to financial performances enhancement. This external stakeholder perspective can be displayed by groups: such as clients perception, partners perception, suppliers perception and community perception. Indicators regarding social and environmental responsibility may include: negative impact on environment reductions, offers of healthier/safer/eco-friendly products and services, improved relationships with business partners and community.

Organizational result

Organizational final sustainability result is reflected in the presentation of achieved standard and advanced financial performances (calculated from balance sheet, income statement as well as future sustainability forecast through for example – market added value). All these results should be

presented in measurement units or quantified in order to be easier to monitor, report and compare with other sustainable companies.

Standard financial performances include indicators like - efficiency, profitability, liquidity, credit indebtedness, debt/capital ratio as financial stability indicator and productivity as business operations factor. In the context of standard financial analysis (as sustainability precondition), it is essential for firms to do horizontal/vertical balance sheet and income statements analysis (in order to adequately explain changes in assets and liabilities), cash flow analysis (inflows/outflows coordination, cash flow optimization and projections) and capital changes analysis. Additionally, financial planning plays a key role for good financial decision making through cost-benefit investments analysis (investment returns), allocation of financial resources and proper budget of sustainability business activities.

Besides standard financial analysis, in terms of sustainability, companies need to include also advanced financial analysis, such as the focus on economic added value, market added value and economic added value momentum that give the wider current/upcoming financial picture and its future sustainability forecast through long-term eco-social investment, investment in research and development of sustainable products/services and goodwill. An economic value added (EVA) calculation is derived through deduction of the weighted average cost of capital (WACC) from after-tax net operating profit. Furthermore, economic added value momentum, as the most current EVA valuation, represents "the change in economic profit over prior sales period" (Stewart, 2009). Market value added can be calculated as the market value of the company reduced by total capital (viewed as the value of invested, own and borrowed capital). Actually, the market value is equal to the invested capital (in projects, technologies, products or strategies) and the present value of future EVAs (expected positive profits/earnings from investments, greater than the amount of the cost of capital) – what requires its' net present value determination. Sustainable reporting represents another meaningful element for sustainable organizational results. In fact, risk management should be taken into account in business reporting and managing. Businesses that incorporate sustainability practices and report on their progress earn more profits and gain more market share, as opposed to those that barely do so (Camilleri, 2017).

Continuous communication with stakeholders, optimization, learning and innovation

All previously mentioned steps in the Model of Continuous Enterprise Sustainability, need to be covered with key stakeholders continuous communication (from sustainability analysis, sustainable management, sustainability monitoring/reporting), which increases knowledge, experience and encourages constant learning about specific and relevant sustainability issues. Regarding monitoring and reporting phase, through receiving feedback and transparent communication with stakeholders, the company reveals meaningful elements that drive sustainability improvements and help eliminate current weaknesses and errors.

In addition to constant communication with key stakeholders, continuous optimization (viewed as a continuous search tool for the best optimal and feasible solution to a particular problem, based on problems' special circumstances) and continuous learning shall be incorporated through all sustainability model stages. Sadollah et al. (2020) pointed out in their study that despite the fact that

cost minimization is the only optimization objective for the most companies (for instance – energy cost minimization), intending to achieve sustainability, more optimization goals shall be considered too (like – CO2 emissions reductions). In relation to continuous learning for sustainability, Lanz et al. (2018) emphasized that continuous learning need to encompass an entirely new class of IT skills; workers and managers life-long learning; inclusion of new training forms; prioritizing brief workshops/webinars instead of long training program; and learning/benchmarking from other firms.

Another crucial element that needs to be continuously encouraged and improved throughout the sustainability model refers to innovation. Innovation should be included not only in the processes, products/services enhancement (by creating value for customers/key stakeholders), but likewise in the situational factors analysis that precede sustainability management processes; improved business practices and new systems creation.

Conclusion

Proposed Model of Continuous Enterprise Sustainability (MCES) in this conceptual paper represents a splendid solution for enterprises to stay more competitive on the market, develop strategic, reliable and constructive relationships with prime stakeholders (investors, customers, workers, suppliers), efficiently/effectively manage with its resources and accordingly create value for everyone involved by operating profitably in the long-run. As a hugely enhanced new version of already existing sustainability models (like the one introduced by Epstein (2008) or by Ciasullo et al. (2019)) with some completely new concepts introduced (like sustainable internal resources management concept; and sustainable external resources management concept), MCES represents an enormous step forward in sustainability model improvement. MCES embraces five essential components, which through their interconnectedness enable to businesses to thrive and stay continually sustainable in a dynamic and complex environment. Mentioned five components relate to: (1) situational factors, (2) creating factors/processes, (3) triple-sustainable results, (4) organizational results, and (5) continuous stakeholder communication, optimization, learning and innovation.

Regarding situational factors, managers need to monitor changes in both the external and internal environment in order to make the right decisions and manage enterprises successfully. In addition to typical external environment analysis (such as political, social, economic, technological and ecological environment), firms need to seriously analyze also industry sector in which it operates (present sustainability orientations of competitors, industry trends and current/potential supply chain aspects). Industry 4.0 plays a key role in advancing competitiveness in today's global economy, which impacts an entire supply chain in terms of smart logistics, distribution, dynamic networks, manufacturing and design of the products. Considering the current state of the organization, companies need to explore the connections between multiform aspects of sustainability with the company nature, existing organizational culture, structures, processes, strategies and existing products/services.

Creating factors/processes, as the second component of MCES model, start with a sustainability proactive and adaptable leader who possess experience and know-how in manifold sustainability related fields. Leadership is highlighted also by other authors as central driving element for business

sustainability processes (Epstein, 2008). Furthermore, leader sets clear directions for unique sustainability organizational culture, structure and stakeholder engagement, which all together lead towards efficient and prosperous sustainability management of internal/external resources and partnerships. In accordance with the model, internal resources management includes sustainable management of human, financial and natural resources. Other models (such as the one proposed by Ciasullo et al. (2019)) emphasized the significance of resources in building business sustainability and proposed a few strategies for managing sustainable value creation. However, there is no previous study that in detail present components for sustainably managing all three internal resources (human, financial and natural resources).

The goal of sustainable human resources management is striving towards creating sustainable recruitment, employees' development and their sustainable retention. Sustainable financial resources management focuses on managing three core elements: (1) budgeting and obtaining funds (financing) for business sustainability; (2) funds usage (investing) for business sustainability; and (3) maintaining profitability, liquidity and striving for solvency (financial stability). When it comes to sustainable natural resources management, it starts from implementation of recognized eco standard or system; then continues with constant search/introduction of possible substitutes, new resource supply locations and alternative (renewable) energy sources; and centers on sustainable utilization (preservation) of natural resources. It is equally important for organizations to manage partnerships, social, natural and economic resources externally in addition to their sustainable internal resources management. The orientation of partnership management need to be directed towards managing supply chain sustainably (logistics/suppliers) and building relationships in a sustainable way with diverse business partners. Afterwards, successful sustainability management is rounded off with a sustainable production process and sustainable products/services. Concerning product sustainability, it is critically important to consider product sustainability and eco-innovation not only during its design, manufacturing and utilization stage, but also throughout the management of "end-of-life" (after consumers stop utilizing product), which results in the sustainable product life cycle concept (PLC). Finally, results and improvements from sustainable management process need to be measured, monitored and reported in the triple bottom line form, as well as presented standard/advanced financial performances as final organizational results. What is important to highlight is that continuous communication with stakeholders, optimization, learning and innovation follows all three previously mentioned steps, confirming the maximum stakeholders' involvement through the complete Model of Continuous Enterprise Sustainability.

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